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MUS FUNDING METHODOLOGY

A Report Prepared for the

Joint Committee on Postsecondary Education Policy and Budget

by

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INTRODUCTION

The Montana University System (MUS) has adopted and is refining the provisions of a new funding methodology in conjunction with its restructuring efforts. The methodology consists of the actual mechanism that will be proposed for determining the appropriation, as well as related policy issues. The Office of Budget and Program Planning (OBPP) plans to incorporate the major tenets of this methodology in the budget it will present to the 1995 legislature.

The legislature will be asked to endorse and incorporate this methodology. The purpose of this paper is to provide a discussion of the major facets of this proposal in regard to its inherent goals and objectives. This report focuses primarily on policy rather than implementation issues of the MUS methodology.

Role of the Joint Committee on Postsecondary Education Policy and Budget (PEPB)

Before discussion of the methodology itself, the PEPB should consider what role it will take in the coming months. This issue may be framed in the context of the ultimate "product" the committee desires. A range of choices are available to the committee:

1) report to the legislature with recommendations on whether any or all of the provisions of the methodology should be implemented;.

2) report to the legislature with an alternate recommendation;

3) provide an informational report to the legislature without recommendation;

4) provide a forum for resolution or discussion of points of concern and/or disagreement prior to the legislative session, only; and/or

5) provide for the acquisition among legislators of a base of knowledge for the next legislative session.

FUNDING METHODOLOGY

When evaluating any funding methodology, there are two components that must be examined:

1) the goals and objectives inherent in the methodology; and

2) the actual methodology and the decisions that must be made for implementation.

Goals of a Funding Methodology

There are basic policy and goals questions inherent in any funding methodology. As the MUS methodology is discussed, a number of questions should be reviewed, including:

1) what are the overall goals and objectives to be achieved through the mechanism?

2) are these goals shared among the various higher education interest groups?

3) will the methodology under development help achieve these goals?

4) is the methodology the best way to achieve these goals?

Therefore, as the MUS methodology is discussed, its inherent goals and objectives included should be examined. Is there consensus on the goals? If not, how might the goals (and consequently the methodology) be adjusted? If the inherent goals are shared but agreement on the methodology is not, how might the method be changed to achieve these goals?

The MUS Methodology

The MUS methodology is discussed in the following sections. The discussion begins with a brief overview of the precepts of the method, and continues with what those precepts mean to legislative control, the decisions that the legislature would make under the method, and the actual mechanics of the method.

Precepts of the Methodology

The MUS funding methodology uses a market-driven approach to tuition and outcomes. It incorporates a basic philosophy that management flexibility, appropriate incentives within that flexibility, and defined output requirements are the best way to maintain the "appropriate" balance of access, quality, and price. As such, it has as a basic tenet that outputs, rather than inputs, should be the focus of legislative scrutiny and decision making. The legislature would focus on accountability measures to gauge the performance of the system in agreed-upon areas.

A number of management flexibility tools are included in the methodology:

1) students would be issued state "warrants". All students would be charged the same tuition, regardless of whether they were residents or nonresidents. A state warrant, funded with general fund and millage, would be issued to resident students to offset a portion of this total cost. Warrants would be issued to Western Undergraduate Exchange (WUE) students at a reduced level. Although the appropriation would be made to the unit, the unit would receive the funding only when a student enrolled.

Use of warrants is not a legislative decision issue, per se, although the legislature would or would not endorse the concept. Use of the warrant is a market device and management tool. The state need not use a warrant system to determine funding for the individual student, and the method for determining the appropriation to any unit would not change. The warrant is designed to serve the purpose of informing a student of the actual costs of the education he or she is receiving. It is also an enrollment management tool within the unit.

2) the legislature would appropriate general fund and millage, only. Tuition would not be appropriated, but would be used as a tool to manage total revenues and provide flexibility on total costs. Only residents and WUE students would be supported with state general fund and millage.

3) because only resident and WUE students are used to determine the appropriation, the number of nonresident students enrolled (and corresponding nonresident tuition collected) would be a further management option.

4) the legislature would appropriate funding in a lump-sum, providing a system management tool for allocation of the funds.

5) units would be free to manage, with a focus on the performance of agreed-upon outcomes, within broad Board of Regents' policy.

The issue for committee consideration as the methodology is discussed is: is this orientation an appropriate way to achieve desired goals?

The Methodology and Legislative Control

As stated earlier, the precepts of the MUS methodology include:

1) additional flexibility to manage the unit and/or system;

2) incentives within that flexibility to manage the number of students, control costs, and provide an efficient and effective operation; and

3) accountability measures to gauge performance and overall "quality".

The provision of additional flexibility and the reliance upon output, rather than input, measures requires that the legislature relinquish some control it has exercised. Because the legislature would no longer appropriate tuition, it would no longer use the appropriation to directly state its intent on either;

1) the total cost of education; or

2) tuition levels.

Within the context of a general lump-sum appropriations policy, the legislature would be asked to either:

1) appropriate in a lump sum to the total system, rather than to individual units;

2) appropriate in a lump sum to the University of Montana and Montana State University (including the colleges and former vocational-technical centers); or

3) allow the movement of funds between units.

The MUS, rather than the legislature, would allocate funds to individual units once the general fund and millage appropriation had been determined. The legislature would no longer appropriate funds to individual units. Consequently, the legislature would no longer state its intent through the appropriation process as to the appropriate relative funding levels at each unit.

In summary, if all of the facets of the MUS methodology were adopted, the legislature would determine the total number of resident students and the total state support per student. The MUS would allocate these funds to the units, set tuition rates, and establish the number of nonresident students that will be enrolled to provide the balance of funding to the individual units and the system as a whole. In return, the MUS would be expected to meet certain, as yet unquantified, performance measures.

The issue for committee consideration as the methodology is discussed is: is the lessening of legislative control an appropriate tradeoff for the potential benefits of additional management flexibility? What impact will the lessening of legislative control have on the accomplishment of legislative priorities?

Legislative Decision Points

In summary, within the context of the MUS methodology the legislature would make a number of decisions along a management flexibility spectrum. Therefore, the primary issue for the legislature in the next legislative session would be the degree of flexibility that would be granted to the MUS through the appropriations process. These "degree of flexibility" decisions include:

1) what type (resident or nonresident) of student will be funded, and where;

2) what sources of revenue will be appropriated; and

3) how the appropriation will be made (i.e. by unit or lump-sum).

In addition, the legislature would have to decide how performance will be measured, evaluated, and related to the budgeting process.

Once the degree of flexibility desired is determined, the legislature must decide:

1) how the level of general fund and millage, per student, will be determined;

2) what, if any, tuition policy will be implemented;

3) how many students will be funded; and

4) what, if any, enrollment management measures will be implemented.

Each of these issues is discussed in more detail in the following section.

MECHANICS OF THE METHODOLOGY

This section discusses the actual appropriations methodology, and how it differs from the method previously in use. The section includes an examination of the component parts, and discusses legislative issues in the context of management flexibility.

Enrollment and a cost factor per student form the basis for determining the appropriation using the MUS methodology. The actual methodology for allocating funds among the units has not yet been determined, but would also be based upon enrollment and unit cost factors. In addition, a number of other policies would be put into place to achieve the basic objectives of the system.

Prior Method

Prior to the 1993 legislative session, the appropriation for the instruction, support, and scholarships and fellowships program was based upon an enrollment-based formula. This formula consisted of the following factors. (While the actual formula used different specific formula factors for the Instruction Program, the concept was the same for each program.)

Cost Factor X Enrollment = Appropriation

1) The cost factor was the total cost per student deemed necessary to support the institution, **by program** in **each unit**. (Plant operations and maintenance, research, and public service were funded incrementally.)

2) Enrollment was defined as:

a) all students, including resident, nonresident, and WUE; and

b) the average of the previous two years'' actual enrollments.

3) The appropriation was the total current unrestricted appropriation to the units, including general fund, millage, tuition, and "other" funds (which primarily consist of federal student aid administration funds).

MUS Methodology

The MUS methodology incorporates the enrollment-based formula shown above to determine the appropriation. However, the methodology begins by dividing each factor into its component parts.

Cost Factor	x	Enrollment	=	Appropriation
General Fund		Resident		General Fund
Millage		Nonresident		Millage
Tuition		WUE		Tuition
"Other"				"Other"

The cost factor and enrollment used to determine the legislative appropriation would have a different definition than the previous formula, resulting in a differently defined appropriation:

1) the cost factor is the total portion of the cost of education that will be supported with state funds;

2) enrollment is defined as resident and WUE students only; and

3) tuition is not appropriated and does not appear in the equation. Therefore, the total appropriation is general fund and millage, only. Consequently, state support is provided only to Montana and WUE students.

The following sections discuss each of the factors that comprise the MUS method, and the decisions along the management flexibility spectrum the legislature must make:

1) what level of funding per student or in total will be appropriated (cost factor);

2) what source of revenue will be appropriated, and to whom (tuition and tuition policy); and

3) who will be funded and where (enrollment and enrollment management).

Cost Factor

As stated, the MUS methodology assumes the legislature will appropriate general fund and millage, only. This per student appropriation would constitute a "warrant" received by the student for the state's share of the total cost at each unit. The total anticipated tuition would not be appropriated. Therefore, the basis for the legislative appropriation to each unit is the level of the warrant per student, or the cost factor.

For practical purposes, determination of the cost factor may begin with the amount the state is willing or able to appropriate, in total. This total, when divided by the number of projected resident students, would constitute the derived cost factor per student. However, in concept, the cost factor would be an agreed-upon share of the total cost of education the state is willing to assume. Therefore, discussion of the cost factor begins with a discussion of the cost of education, or the amount "necessary" to educate a student.

Cost of Education

The cost of education is the beginning point of the entire methodology for determining the appropriation. Consequently, the method used to determine the cost of education is critical to this process. Under the MUS proposal, the state share per student would be an agreed-upon portion of the total cost of education, either by unit or for the system as a whole. Therefore, the total cost of education would determine the state contribution, and consequently total state costs. Because tuition would "fill the gap" between the state share and total costs, the cost of education is also the determinate of total tuition charges to each student. (The stability of the level of state support per student consequently determines whether

either a state support or tuition policy can be maintained. This issue is discussed in the following section.) Two issues must be resolved: 1) who will determine the cost of education; and 2) by what methodology.

Who Will Determine the Cost of Education

Under the MUS proposal, while the legislature would use some cost of education measure for determining the state share, and consequently the state appropriation, the MUS would determine the total cost of education (and consequently tuition charges) as one of the system flexibility measures. If lump-sum funding is adopted, the MUS would also determine how state support would be allocated to each unit through a unit specific cost determination. Therefore, the issue arises as to what involvement the legislature should have in deriving the cost of education used both to determine the appropriation, and to allocate funds among the units and establish tuition levels.

What should be the role of the legislature in determining the cost of education to the system and to the individual units? If the legislature reviews the cost, what obligation does this place on the MUS to maintain this cost? What implications does this involvement have on tuition flexibility?

Method of Determining Cost of Education

There are a number of ways that the cost of education can be established for the purpose of determining the appropriation, including:

1) actual expenditures in a chosen base year, such as fiscal 1994;

2) peer expenditures; and/or

3) a regionally defined level based upon such factors as cost of living, income, and tax capacity.

OBPP has stated that they plan to base their initial MUS present law base upon actual fiscal 1994 expenditures.

The MUS is currently in the process of distributing a request for proposals (RFP) among various higher education study agencies to examine the cost of education for the purpose of allocating funds among the units. This study would be completed in the fall and presented to the 1995 legislature for use in the appropriations process. MUS staff indicate that the request will include a range of potential methods for study, including peer expenditures, unit costs, and discipline mix within the units.

Is this an appropriate process for determining the cost of education? What level of legislative oversight is desired?

Tuition and Tuition Policy

One of the primary areas in which management flexibility would be exercised is in tuition and tuition policy. Tuition revenues would be outside of the appropriation process. Under this proposal, the MUS would be granted open-ended tuition authority. (The actual phrasing in the appropriations act would have to be determined, as appropriations must have at least an upper expenditure limit in order to be sanctioned by law.) In addition, each unit would have a unique tuition schedule.

Tuition charges would be the same for both resident and nonresident undergraduate students (with the exception of those students in defined high-cost programs) at each unit, with the state warrant granted to qualified resident and WUE students to offset a portion of this charge. Two issues are involved: 1) how the total tuition charges will be determined; and 2) how tuition charges will be controlled.

Determining Tuition Charges

In the MUS methodology, the state warrant would be some portion of the total cost of education. Therefore, in conjunction with the cost of education, tuition collections will "fill the gap" between the state appropriated general fund and millage and the total cost. Consequently, tuition may be thought of not as the total charge, but the marginal charge necessary to fill that gap. Tuition then constitutes the total contribution of the student to the cost of education. Two issues are discussed: 1) the basis for determining the contribution of a resident student to the total cost of his or her education; and 2) tuition policy.

Student Contribution

The relative contribution of students can be determined in a number of ways, including:

1) a percent of total institutional cost;

2) a percent of the cost of education; or

3) a percent of peer expenditures.

As of the writing of this report, the proposal includes a tentative outline for resident students to contribute in a range of 25 to 35 percent of the cost of education.

Tuition Policy

There are numerous studies on the changing dynamics of tuition and the total cost of education. As is the case in Montana, over the last several years students have been bearing a greater share of the cost. Within that reality, states have a number of different tuition policies relating to the relative contribution of both students and the state. Among other findings, a recent study conducted by the Education Commission of the States (ECS) suggests two things:

1) states' tuition policies vary significantly; and

2) states do not classify their tuition policies in a standard way. For example, two states that both report a "low tuition" policy may in fact have very different degrees of actual student contribution to the total cost.

Regardless of what other states may have determined is an "appropriate" student contribution within their own tuition policies, the establishment of a tuition policy requires maintenance of that policy. However, a further finding of the ECS study states that, while states often have tuition policies in place, they have difficulty maintaining them in practice.

Maintaining a tuition policy requires two things:

1) stability of state support on a <u>per student</u> basis; and

2) some synchronization of movement between state support and the overall costs of education on a per student basis.

The following shows the changes in the percent of total costs borne by the student through tuition since fiscal 1992 for the university system. As shown, reductions in state support, and increases in enrollment and tuition have changed the degree of student support from 20.5 percent in fiscal 1992 to 26.4 percent in fiscal 1994. Two points should be noted: 1) fiscal 1994 does not include any tuition added through budget amendment; and 2) fiscal 1992 and 1993 totals are skewed due to an increase in actual enrollment over the appropriated levels. These students receive <u>only</u> tuition support.

Table 1
Percent of Student Support
Fiscal 1992 through 1994

Category	Actual Fiscal 1992	Actual Fiscal 1993	Budgeted Fiscal 1994
Total Cost of Ed Expenditures*	142,106,167	148,802,835	149,043,195
Total Enrollment**	26,553	27,024	27,384
Cost of Ed Per Student	$5,352	$5,506	$5,443
Total Resident CUF Charges***	1,097	1,368	1,438
Student Contribution to Cost of Ed	20.5%	24.8%	26.4%

*Cost of education defined as instruction, support, scholarships and fellowships, and plant operations and maintenance expenditures as reported in the MUS Operating Budgets.
**Includes restricted enrollment in fiscal 1994.
***Includes admissions, registration, and incidental tuition charges.

The issues for committee consideration are: how can stability and synchronization of movement be maintained? If they cannot be maintained, what tuition policy, if any, should be implemented?

Controlling Tuition

As stated, the MUS proposal uses tuition and tuition charges as a management tool. Consequently, the primary controls on tuition increases by the Board of Regents would be: 1) competition; and 2) "political" considerations.

There are two issues for committee consideration. Are these controlling factors sufficient? Does this flexibility require a tuition policy?

Two additional points relating to tuition policy and the appropriation of tuition are discussed below: 1) differential tuition for residents and nonresidents; and 2) constitutional tuition appropriation authority.

Differential Tuition

Currently, the MUS proposal assumes that all residents and nonresidents will be charged the same amount. The alternative is to charge nonresident students whatever the market will bear. This policy raises two dichotomous issues:

1) if a differential exists, there must be strict disincentives to units against expanding nonresident enrollment. Otherwise, units incur an incentive to expand nonresident enrollment at the expense of resident enrollment, particularly if state support is falling on a per student basis. As discussed later in this report, the MUS proposal includes a nonresident disincentive.

2) if no differential is charged, two things may occur:

a) units may lose potential income, which could be used to subsidize resident student costs and/or provide funds for resident financial aid; and

b) if total state support per resident student is falling, and tuition is increased to maintain a total cost, the difference between the out-of-pocket costs of a nonresident and a resident student would narrow. In the absence of additional financial aid to resident students, this potential narrowing raises issues of maintenance of tuition policy, as well as the purpose of the policy and of the provision of state support for resident students.

Constitutional Tuition Appropriation Authority

In May, the Office of the Legislative Fiscal Analyst (LFA) requested an opinion from Greg Petesch, Code Commissioner for the State of Montana, on an appropriations issue. In his reply, Mr. Petesch wrote that, under his interpretation, the legislature did not have constitutional authority to appropriate tuition to the MUS. (A copy of the opinion and a report on the issue to the Legislative Finance Committee [LFC] are attached.) On June 20, the LFC voted to appoint LFC members Representative Ray Peck and Senator Chuck Swysgood to a committee to meet with two members of the Board of Regents to discuss tuition appropriation policy. The committee also voted to hold discussions until October 1. If no consensus was reached by the time, the LFC would request an opinion from the Attorney General on the issue.

Enrollment and Enrollment Management

There are two issues when discussing enrollment: 1) actual enrollment used to determine the appropriation; and 2) enrollment management.

Enrollment

As stated, under the MUS method the legislature would appropriate general fund and millage, only. Therefore, only resident and WUE enrollment would be estimated for appropriation purposes. In the 1993 legislative session, enrollment for the 1995 biennium was assumed for tuition estimate purposes to be the actual fiscal 1993 level. In the MUS proposal, enrollment would be based upon projected enrollment levels at each unit.

The following table shows resident enrollment through fiscal 1997, as estimated by the units. (Please note that the individual unit information used to derive the figures in the table is not final. A complete listing of the individual unit projections by type of student is attached.) The table shows that resident undergraduate enrollment is estimated to increase by a total of 1,232 FTE, or 5.5 percent over actual fiscal 1994 levels. Enrollment at the six university units would increase by 517, or 2.6 percent. (If graduate students are included, enrollment at the six university units would increase by 846 FTE, or 3.9 percent.) Enrollment at the former vocational technical centers would increase by 715 FTE, or 31.2 percent.

Table 2
Resident Enrollment Projections
Fiscal 1994 through Fiscal 1997

Student	Fiscal 1994	Fiscal 1995	Fiscal 1996	Fiscal 1997	Percent Increase '94-'97
Undergraduate	19,928	20,056	20,235	20,445	2.6%
Colleges of Technology	2,292	2,504	2,740	3,007	31.2%
TOTAL	22,220	22,560	22,975	23,452	5.5%
Graduate Students	1,647	1,714	1,784	1,966	19.4%
TOTAL MUS	23,867	24,274	24,759	25,418	6.5%

According to the Office of the Commissioner of Higher Education (CHE), these enrollment projections are not based upon where students would enroll given no other constraints, but upon where students would enroll under enrollment management measures. The greatest percentage increase in resident undergraduate enrollment would occur at Western Montana College of the University of Montana (WMCUM), Montana State University - Billings (EMC), and Montana State University - Northern (NMC).

The issue for committee consideration is: upon what basis should resident enrollment be estimated? Who should determine this estimate?

Nonresident enrollment would be based upon the difference between the appropriated resident enrollment and the physical capacity of the unit. In addition, nonresident enrollment would be based upon the ability of the unit to recruit nonresident students.

Issues for committee consideration are: what input will the legislature have in establishing the nonresident enrollment total? Upon what criteria will physical capacity of a unit be established? Would the nonresident enrollment level be maintained even if resident demand increases?

Enrollment Management

Enrollment management primarily addresses three issues: 1) dealing with rising enrollment or changes in enrollment patterns; 2) maintaining resident access; and 3) recruiting and retaining students. Issues of enrollment management are inextricably linked to issues of access. Enrollment management measures of the MUS carry the definition of access as access by a qualified student to the system, rather than to all students' first choice.

Units would have an enrollment target of both resident and nonresident students. According to the MUS, enrollment management would be based upon two factors: 1) stated criteria students must meet (entrance and retention requirements); and 2) unit capacity. Unit capacity would be defined by the MUS. Capacity defines the outer parameters of the total number of students the unit would enroll. If that limit is reached, even qualified students would be denied access. According to the MUS, however, the primary enrollment management measures will include providing appropriate counseling in order to "fit" students to appropriate programs and institutions, ensuring that students are prepared to enter, and ensuring that both students and the units have appropriate incentives to ensure timely progression. These incentives would take two forms:

1) incentives to students to progress through the system through loss of state warrant support if too many excess credits are taken; and

2) incentives to the units to ensure students can progress in a timely manner through guarantees that progression will be timely or no tuition will be charged. Both of these incentives are current or potential Board of Regents policies.

The MUS proposal also includes a financial incentive to the units to maintain enrollments at the projected level, that would be a part of appropriations policy: loss of funding if enrollment projections are not met. Under this policy, units would be required to return any state funds associated with resident students who did not enroll. The unit would receive no additional state funding for any resident students over the projected level who enroll, but would retain all tuition collected. (The policy for additional students does not differ in practice from the current

process. If students over the appropriated level are enrolled, the unit only receives the collected tuition from that student, which is added in the budget amendment process.) Units would not be able to retain tuition collected from any nonresidents enrolled over the prescribed target.

The primary issue for committee consideration when examining these enrollment management policies is: do the enrollment management policies and incentives provide an appropriate definition of access, and guarantee of access to resident students?

Accountability (Output) Measures

As stated, the MUS methodology takes as its basic premise that the legislature will provide the MUS with additional flexibility to manage the system. In return, the MUS would provide the legislature (and other higher education interest groups) with a "report card" showing results based upon agreed-upon performance benchmarks (accountability measures). These benchmarks essentially measure system "quality". Establishment of benchmarks is a collaborative process between the MUS, the legislature, and other interested parties.

Accountability measures are critical to the MUS methodology. The accountability measures are the targets to which the MUS is operating, and for which it receives public funding and management flexibility. Consequently, the degree of confidence in the accountability measures will have a direct bearing on the confidence in the degree of flexibility granted to the MUS. The importance of accountability measures to the MUS proposal may be stated as the following question:

If there is little confidence that the performance expectations for which public funds and management flexibility are provided can be accurately defined, measured, reported, and used, what incentive does the legislature have to grant additional management flexibility?

The stages that must be completed if accountability measures are to be used may be framed as three questions:

1) *What should be measured? What do the legislature and other interested parties want and need to know?* (Corollary issues include who will collect, monitor and compile, and interpret the data used to provide the measurement.) Examples may be system **efficiency** measures (those designed to gauge whether the system is operating in the most efficient way) such as faculty workload and timely student progression; and/or system **effectiveness** measures such as student satisfaction, employer satisfaction, student employment rates, and student learning assessment.

2) *How will the data be reported?* Determining what is important and measuring performance is not worthwhile if the report does not accurately and appropriately communicate the results in a form that can be understood and used.

3) *How can this data be translated into appropriations decisions?* Performance measurement and reporting hold little meaning if the information derived is not used in the appropriations process.

(A report written in 1992 for the 1993 biennium PEPB on incentive funding includes a discussion of many of the issues involved in establishing and measuring performance for appropriations purposes. A copy is attached for your reference.)

Can accountability measures be established and agreed upon? Is this an appropriate tradeoff for the loss of control inherent in the provision of additional management flexibility?

SUMMARY

A wide array of choices will face the legislature in determining how to fund the MUS in the 1997 biennium and beyond. The first issue for consideration is whether the goals of the MUS are shared. Then, the legislature must determine whether the basic precepts of the MUS methodology for meeting these goals is appropriate and should be adopted: management flexibility and focus on outcomes.

Within the framework of this issue, the legislature faces an array of choices along a spectrum, representing a range of "degrees of flexibility" that might be given. Central to this issue is the overall cost of education, and the criteria that would be used to allocate funds to the individual units.

Finally, the legislature must decide whether accountability measures provide an appropriate tradeoff for the additional flexibility, and whether these measures can be agreed to, and appropriately measured, reported, and used.

Summary of Issues

The issues raised in the report are summarized below.

Is the lessening of legislative control an appropriate tradeoff for the potential benefits of additional management flexibility? What impact will the lessening of legislative control have on the accomplishment of legislative priorities?

What should be the role of the legislature in determining the cost of education to the system and to the individual units? If the legislature reviews the cost, what

obligation does this place on the MUS to maintain this cost? What implications does this involvement have on tuition flexibility?

For purposes of maintaining a tuition policy, how can stability of state support and synchronization of state support and the cost of education be maintained? If they cannot be maintained, what tuition policy, if any, should be implemented?

Are the factors controlling tuition increases sufficient? Does this flexibility require a tuition policy?

Upon what basis should resident enrollment be estimated? Who should determine this estimate?

What input will the legislature have in establishing the nonresident enrollment total? Upon what criteria will physical capacity of a unit be established? Would the nonresident enrollment level be maintained even if resident demand increases?

Do the enrollment management policies and incentives provide an appropriate definition of access, and guarantee of access to resident students?

Can accountability measures be established and agreed upon? Is this an appropriate tradeoff for the loss of control inherent in the provision of additional management flexibility?

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